

**CITY OF BALTIMORE  
COUNCIL BILL 23-0369  
(First Reader)**

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Introduced by: Councilmembers Ramos, Bullock, Torrence, Cohen, Burnett, Dorsey

Introduced and read first time: March 27, 2023

Assigned to: Ways and Means Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Department of Planning, Department of Housing and Community Development, Baltimore Development Corporation, Department of Real Estate

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **High-Performance Inclusionary Housing Tax Credit**

3 FOR the purpose of establishing a High-Performance Inclusionary Housing Tax Credit; providing  
4 for the eligibility criteria of the tax credit; establishing the amount of the tax credit; requiring  
5 a certain annual report; defining certain terms; and generally relating to the High-  
6 Performance Inclusionary Housing Tax Credit.

7 BY authority of  
8 Tax - Property Article  
9 Section 9-242  
10 Annotated Code of Maryland

11  
12 BY repealing and re-ordaining, with amendments,  
13 Article 28 - Taxes  
14 Section 10-18(h)  
15 Baltimore City Code  
16 (Edition 2000)

17 BY adding  
18 Article 28 - Taxes  
19 Section 10-18.2  
20 Baltimore City Code  
21 (Edition 2000)

22 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
23 Laws of Baltimore City read as follows:

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

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**Baltimore City Code**

**Article 28. Taxes**

**Subtitle 10. Credits**

**§ 10-18. High-performance market-rate rental housing – Citywide.**

(h) *No tax subsidy duplication allowed.*

Except for the Maryland State Enterprise Zone Tax Credit Program AND THE HIGH-PERFORMANCE INCLUSIONARY HOUSING TAX CREDIT, the tax credit authorized by this section does not apply to any property for which any other tax subsidy from the City, whether in the form of a tax credit, payment in lieu of taxes, tax incremental financing, or otherwise, is being received or has been applied for.

**§ 10-18.2. HIGH-PERFORMANCE INCLUSIONARY HOUSING TAX CREDIT.**

(A) *DEFINITIONS.*

(1) *IN GENERAL.*

IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) *HIGH-PERFORMANCE BUILDING.*

“HIGH-PERFORMANCE BUILDING” MEANS A HIGH PERFORMANCE BUILDING AS DEFINED IN STATE TAX – PROPERTY ARTICLE § 9-242.

(3) *NEWLY-CONSTRUCTED OR CONVERTED.*

“NEWLY-CONSTRUCTED OR CONVERTED” MEANS A HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING PROJECT:

(I) THAT IS EITHER:

(A) NEWLY-CONSTRUCTED ON A VACANT LOT, CLEARED SITE, OR PARKING LOT; OR

(B) CONVERTED FROM A NON-RESIDENTIAL USE; AND

(II) FOR WHICH THE COST OF THE CONSTRUCTION OR CONVERSION EXCEEDED \$60,000 PER RENTAL UNIT.

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1 (B) *CREDIT GRANTED.*

2 IN ACCORDANCE WITH STATE TAX – PROPERTY ARTICLE § 9-242, A HIGH-PERFORMANCE  
3 INCLUSIONARY HOUSING TAX CREDIT IS GRANTED AGAINST THE CITY PROPERTY TAX  
4 IMPOSED ON HIGH-PERFORMANCE RENTAL PROPERTIES THAT ARE IN FULL COMPLIANCE  
5 WITH SUBTITLE 2B {“INCLUSIONARY HOUSING REQUIREMENTS”} OF  
6 ARTICLE 13 - HOUSING AND URBAN DEVELOPMENT OF THE CITY CODE.

7 (C) *CREDIT GRANTED.*

8 A TAX CREDIT GRANTED TO A PROPERTY OWNER UNDER THIS SUBSECTION SHALL:

9 (1) BE FOR A PERIOD OF 15 YEARS;

10 (2) START WITH THE COMPLETED BUILDING’S FIRST ASSESSMENT AFTER ISSUANCE OF  
11 THE OCCUPANCY PERMIT ESTABLISHED BY THE CITY BUILDING CODE;

12 (3) BE FULLY TRANSFERRABLE TO A NEW OWNER FOR THE REMAINING LIFE OF THE TAX  
13 CREDIT; AND

14 (4) TERMINATE IF, DURING THE PERIOD OF THE TAX CREDIT, THE BUILDING:

15 (I) FAILS TO MAINTAIN ITS HIGH-PERFORMANCE RATING; OR

16 (II) FAILS TO COMPLY WITH THE PROVISIONS OF SUBTITLE 2B {“INCLUSIONARY  
17 HOUSING REQUIREMENTS”} OF ARTICLE 13 - HOUSING AND URBAN  
18 DEVELOPMENT OF THE CITY CODE.

19 (D) *AMOUNT.*

20 (1) *IN GENERAL.*

21 A PROPERTY OWNER OF A BUILDING DESCRIBED UNDER THIS SECTION IS ELIGIBLE FOR  
22 A 15% HIGH-PERFORMANCE INCLUSIONARY HOUSING TAX CREDIT.

23 (2) *ADDITIONAL CREDITS.*

24 A PROPERTY OWNER MAY RECEIVE ANOTHER RESIDENTIAL RENTAL PROJECT TAX  
25 CREDIT FOR WHICH THE BUILDING IS ELIGIBLE, PROVIDED THAT THE TOTAL AMOUNT OF  
26 CITY TAX CREDITS THE PROPERTY OWNER HAS RECEIVED DOES NOT EXCEED 100% OF  
27 THE TOTAL TAX LIABILITY FOR THE BUILDING.

28 (E) *APPLICATION.*

29 (1) *PROPERTY OWNER TO SUBMIT.*

30 A PROPERTY OWNER SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT OF  
31 FINANCE IN THE FORM REQUIRED BY THE DEPARTMENT OF FINANCE.

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1           (2) *APPLICATION FEE.*

2           A PROPERTY OWNER APPLYING FOR THE TAX CREDIT ESTABLISHED BY THIS SUBTITLE  
3           SHALL PAY AN APPLICATION FEE, WHICH SHALL BE SET BY THE BOARD OF ESTIMATES.

4           (3) *APPLICATION TO CONTINUE.*

5           IF A PROPERTY OWNER RECEIVING THE TAX CREDIT TRANSFERS OWNERSHIP OF THE  
6           BUILDING AT ANY TIME, THE NEW PROPERTY OWNER SHALL FILE AN APPLICATION TO  
7           CONTINUE THE CREDIT IN THE FORM REQUIRED BY THE DEPARTMENT OF FINANCE.

8           (F) *RULES AND REGULATIONS.*

9           (1) *IN GENERAL.*

10           SUBJECT TO TITLE 4 {"ADMINISTRATIVE PROCEDURE ACTION – REGULATIONS"} OF  
11           THE CITY GENERAL PROVISIONS ARTICLE, THE DIRECTOR OF FINANCE SHALL ADOPT  
12           RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

13           (2) *PROCEDURES REQUIRED.*

14           THESE REGULATIONS SHALL INCLUDE PROCEDURES NECESSARY AND APPROPRIATE FOR  
15           THE SUBMISSION OF AN APPLICATION AND THE GRANTING OF A PROPERTY TAX CREDIT  
16           UNDER THIS SECTION.

17           (G) *REPORTING CREDITS.*

18           EACH FISCAL YEAR, THE ESTIMATED AMOUNT OF ALL TAX CREDITS RECEIVED BY  
19           PROPERTY OWNERS UNDER THIS SECTION:

20           (1) SHALL BE REPORTED BY THE DIRECTOR OF FINANCE AS A TAX EXPENDITURE; AND

21           (2) SHALL BE INCLUDED IN THE PUBLICATION OF THE CITY’S BUDGET FOR ANY  
22           SUBSEQUENT FISCAL YEAR WITH THE ESTIMATED OR ACTUAL CITY PROPERTY TAX  
23           REVENUE.

24           (H) *ANNUAL REPORT.*

25           ON OR BEFORE JULY 1 OF EACH YEAR, THE DIRECTOR OF FINANCE SHALL SUBMIT A  
26           REPORT TO THE BOARD OF ESTIMATES, MAYOR, AND CITY COUNCIL THAT INCLUDES THE  
27           FOLLOWING:

28           (1) AN ANALYSIS OF THE TAX CREDIT, IF ANY WAS CONDUCTED, AND ITS FINDINGS AND  
29           RESULTS;

30           (2) THE STEPS TAKEN TO PROMOTE AND FURTHER THE USE OF THE TAX CREDIT; AND

31           (3) PROPOSED FUTURE STEPS THE DEPARTMENT OF FINANCE CAN TAKE TO PROMOTE  
32           AND FURTHER THE USE OF THE TAX CREDIT.

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1       **SECTION 2. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
2 after the date it is enacted.